



# credit union voice

Iowa Credit Unions Continue to Serve The Little Guy

Since the creation of the credit union industry in the early 1900s, credit unions have focused on serving the financial needs of The Little Guy – hard working Iowans from all walks of life. As not-for-profit financial cooperatives, Iowa’s 142 credit unions serve more than 900,000 Iowans.

In addition, Iowa credit unions account for approximately 8 percent of the state’s deposits. As the first session of the 83rd General Assembly begins, we wanted to share with you important information on the Iowa credit union industry and how we assist The Little Guy.

### COOPERATIVE CREDIT UNIONS RETURN EARNINGS TO MEMBERS

Credit unions are unique in being a not-for-profit, cooperative alternative in the financial services market as each member of the credit union has a vote in the election of the directors of the credit union and a share of ownership. Credit unions return their earnings back to their member-owners in the form of lower interest rates on loans and higher interest rates on savings.

Credit unions focus on providing affordable financial services to their member-owners, The Little Guy. According to a 2007 study,

Iowa credit unions provided **\$49,989,053 in direct financial benefits to their members.\***

These savings are calculated through the average rate differences between credit union and bank loans, savings and fees.

### CREDIT UNIONS PAY TAXES

Iowa credit unions do pay taxes. State chartered credit unions pay a moneys and credits tax on required reserves, as well as sales, property and payroll taxes. Iowa is also one of only six states in the U.S. that imposes a tax on a credit union’s income or reserves.

Credit unions are taxed differently than the for-profit banking industry because they are not-for-profit, member-owned financial cooperatives. Banks are for-profit, owned by stockholders and are in the business to make a profit for these select individuals.

### CREDIT UNIONS ARE SAFE AND SOUND

No consumer has ever lost a penny from an Iowa credit union. All Iowa credit unions and their members’ funds are insured up to \$250,000 through the National Credit Union Share Insurance Fund (NCUSIF), which is similar to the FDIC.

In closing, Iowa credit unions play an important role in the life of The Little Guy, hard-working Iowans from all walks of life – and your constituents. We look forward to working with you during this next legislative session on issues of interest to the credit union industry.

*\*Source Datatrac, NCUA, and CUNA.*

## YOUR VOICE

The Iowa Credit Union League represents the interests of Iowa’s credit unions. Our staff is here to answer your questions. Please contact us for more information.

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IowaCreditUnions.com**